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Who backs the Tories?

1974 was a good year for Tory propaganda. Two general elections in one year provided a good opportunity for the Tory Party, Aims of Industry and the employers themselves to voice their opinions on the evils of nationalisation, the trade unions, the Labour Party and the working class in general. But, the freedom of expression costs money in Britain today. How did the Tory Party manage to raise funds for its campaign? Who paid for the massive Aims of Industry advertising campaigns? Of course, as an organisation in business to maintain private enterprise the Tory Party does not shout its sources of income from the rooftops. However, by courtesy of the Labour government's 1967 amendment to the Companies Act we have been able to extract information on political donations from companies' annual reports. Unfortunately, by the time we get this information memories of the previous year's Tory expenditure begin to fade. However, although a year 'dated' the figures that we publish here begin to give some insight into the vast sums being daily poured from big business into the Tory Party and allied bastions of 'free' enterprise.

In Table A we publish the grand total of all donations we have on record to the Tory Party, British United Industrialists and regional industrialists' councils, Aims of Industry and the Liberal Party. All these organisations are placed together as their concerted propaganda is aimed to attack the Labour Party and labour movement. We have excluded those other working class bashers Economic League and Common Cause as these tend to concentrate on trade union interference rather than assault on the Labour Party – their financial links with the Tory Party are also more tenuous.

The grand total of contributions to the Tory cause which we have on record are thus **412 companies giving £1,598,836** in their last financial year (ending between 31 March 1974 and 31 March 1975). When we last published such a grand total it was in August 1974 in *Big Business and Politics* when we recorded 393 companies giving a total of £810,136 to the same organisations. These previous figures of course related to 1973 when there was an absence of general elections.

Table A **Political donations in 1974**

Number and type of companies	*Tory Party* (£)	*British United Industrialists (a)* (£)	*Aims of Industry* (£)	*Other* (£)	*Total* (£)
18 Insurance	67,780	148,375	625	250(b)	217,030
29 Banking & finance	161,016	31,430	7,600	—	200,046
22 Food & tobacco	70,280	48,350	46,791	1,000(b)	166,421
89 Engineering (non-electrical)	106,904	42,900	11,737	100(c)	161,641
16 Oil, chemicals & drugs	67,300	18,500	20,000	—	105,800
15 Motors, aircraft, shipbuilding & components	22,269	63,170	17,700	—	103,139
27 Building & civil engineering	67,703	28,100	2,375	—	98,178
13 Retail	19,310	31,500	5,200	2,750(e)	58,760
20 Building materials	30,299	27,850	—	—	58,149
23 Metal manufacture	27,644	12,350	2,775	6,600(d)	49,369
7 Electrical engineering	28,968	15,000	2,250	—	46,218
17 Brewing & distilling	16,638	25,750	1,035	—	43,423
23 Textiles, clothing & footwear	17,254	21,450	750	65(b)	39,519
20 Transport & distribution	29,013	3,350	6,350	—	38,713
18 Property	33,000	1,250	1,500	—	37,750
14 Investment trusts	30,500	1,350	2,400	—	34,250
19 Furniture, carpets, glass & pottery	7,320	20,850	200	—	28,370
13 Paper, printing & publishing	14,955	6,000	500	—	21,455
14 Miscellaneous	76,955	9,500	150	6,000(b)	92,605
412 companies giving	895,108	557,025	129,938	16,765	1,598,836

(a) including regional industrialists' councils and protection associations (b) Liberal Party (c) Monday Club
(d) to "organisations furthering private enterprise" from Thos W Ward
(e) including £2,500 to the Liberal Party and £250 to the Lincoln Democratic Labour Association from Marks & Spencer.

The City supports the Tories

Perhaps the outstanding feature of Table A is the vast support for the Conservative cause from the City institutions. A mere 61 banks, finance houses, insurance companies and investment trusts gave a total of £451,315 – 14·7 per cent of the total number of companies thus gave 28·8 per cent of total donations. Of the individual companies which make the top donations, nine out of 22 top givers to the Tory Party are City firms, as are seven out of 18 top donors to the British United Industrialists. The links between the City and the Tories are not purely financial either; it is perhaps no coincidence that so many Tory MPs sit on the boards of City firms. **Sir Frederick Bennett** MP sits on the boards of Commercial Union Assurance Co and Kleinwort Benson Europe. Former Tory minister responsible for the EEC, **John Davies** is a director of bankers, Hill Samuel Group. **Hugh Fraser** is a director of Sun Alliance and London Insurance. And **Edward Heath's** old firm, merchant bankers Brown Shipley & Co maintains its links with the Tory Party not just through giving £6,175 in 1974, but retaining another Tory MP, **Ian Stewart** on its board.

More Tory bread

Aside from the contributions given by a large number of engineering firms, it is the food and tobacco industry which stands out as the main financial backer of the Tories amongst the productive industries. The highly anti-nationalisation sugar refining company Tate and Lyle, which gave birth to 'Mr Cube' in the late forties as the anti-Labour Party champion, still remains a large contributor to the cause. Mr Cube has now been joined by the busy free enterprise bee of Aims of Freedom and Enterprise. This latter organisation also has big support from bread company Ranks, Hovis McDougall and giant tobacco and food concern Imperial Group. Shadow cabinet member for employment, **James Prior** – former Minister for Agriculture – maintains the Tories' links with the food industry by sitting on the board of United Biscuits (Holdings) – which gave political donations of £12,500 in 1974.

British United Industrialists et al

Thirty five per cent of the grand total of donations in Table A went to British United Industrialists, regional industrialists' councils and protection associations. Why do we include these organisations under the Tory umbrella? British United Industrialists is an organisation wrapped in mystery – at least, to the non-subscriber. The organisation dissolved itself as a limited company in 1968, following the new requirement to disclose political donations, and its accounts are thus not publicly available. Neither do we know who runs the organisation. But within the mystical shell is Colonel Juan Hobbs, who has been director general – it was he who said that the organisation ceased to be a limited company "to stop the snoopers finding out more about us than they need to" (*Times* 11.4.73). It is believed that the BUI passes money on to the Tory Party. It certainly does not present itself

Table B **Top donors to the Conservative Party**

Company	*Amount (£)*	*Year to*	*Industry*
Newarthill	43,540	31.10.74	Building
Rank Organisation	40,000	31.10.74	Entertainments
Guest, Keen & Nettlefolds	35,730	31.12.74	Engineering
Tate & Lyle	25,500	30. 9.74	Food
Baring Brothers & Co	25,050	31.12.74	Banking
Eagle Star Insurance Co	25,000	31.12.74	Insurance
Fisons	25,000	31.12.74	Chemicals
Ranks Hovis McDougall	25,000	31. 8.74	Food
British & Commonwealth Shipping Co	21,700	31.12.74	Shipping
Beecham Group	20,000	31. 3.74	Drugs
Brandts	20,000	31.12.74	Banking
Marley	20,000	31.10.74	Building materials
Slater, Walker Securities	20,000	31.12.74	Finance
Hambros	18,000	31. 3.75	Banking
Plessey Co	16,500	30. 6.74	Electrical engineers
Hill Samuel Group	15,000	31. 3.75	Banking
Kleinwort, Benson, Lonsdale	15,000	31.12.74	Banking
S Pearson & Son	15,000	31.12.74	Newspapers, banking etc
Lucas Industries	12,000	31. 7.74	Components
Barrow Hepburn Group	10,500	31.12.74	Chemicals
British Electric Traction Co	10,000	31. 3.74	Investment
Midland Bank	10,000	31.12.74	Banking
	468,520		

These 22 companies gave a total of £468,520 to the Tory party in their latest financial year, compared with £179,687 donated by the same companies in the previous year.

Table C **Top donors to British United Industrialists and industrialists' councils**

Company	*Amount (£)*	*Year to*	*Industry*
Commercial Union Assurance	62,500	31.12.74	Insurance
Swan Hunter Group*	61,000	31.12.74	Shipbuilding
Charter Consolidated	26,000	31.3.75	Finance
Allied Breweries	25,000	30.9.74	Brewing
Guardian Royal Exchange Assurance	21,000	31.12.74	Insurance
General Accident Fire & Life Assurance	20,000	31.12.74	Insurance
Marks & Spencer	20,000	31. 3.75	Retail
Reckitt & Colman	20,000	31.12.74	Food
Taylor Woodrow	20,000	31.12.74	Building
Sun Alliance & London Insurance	19,875	31.12.74	Insurance
Royal Insurance Co	15,000	31.12.74	Insurance
Rugby Portland Cement Co	15,000	31.12.74	Building materials
Turner & Newall	15,000	31.12.74	Building materials
Bridon	13,000	31.12.74	Engineering
Carpets International	12,000	31.12.74	Carpets
United Biscuits (Holdings)	12,000	31.12.74	Food
Legal & General Assurance Society	10,000	31.12.74	Insurance
Plessey Co	10,000	30. 6.74	Electrical engineering
	397,375		

The 18 companies listed here gave a total of £397,375 in their last financial year, compared with donations of £165,875 in the previous year.

***donation to Northern Industrialists' Protection Association**

publicly as a propagandising organisation, so what does it do with the half a million pounds which we know that it gets from big business – not to mention its other income?

The regional industrialists' councils to which many companies give are more directly connected with the Tories. They work alongside the local Conservative Associations in a fund raising capacity. The Northern Industrialists' Protection Association to which shipbuilders Swan Hunters give so much is somewhat more secretive. Who the chairman is has not been revealed publicly. According to the *Guardian* (4.6.75) the Tory Party confirmed that it received money through the Association but denied that it was exclusively a Tory fund raising organisation. However, as the *Guardian* discovered, the Association's phone number is the same as that of the local Tory Party office.

Aims to fame

Aims of Industry/Freedom and Enterprise needs little introduction. Indeed such is their publicity consciousness that it is very difficult to escape from their advertising campaigns. Aims of Industry, although in existence for over 30 years, has really blossomed into fame in the last few years under the direction of public relations man Michael Ivens – director of the organisation. Massive anti-Labour Party advertising campaigns were fought by Aims before the February and October 1974 elections. On both occasions Aims launched an appeal for funds of half a million pounds. As Table A shows, we have only been able to trace donations of £125,197. However, this is a considerable increase on the record of £30,769 which we had for 1973.*

Recently Aims has been spending thousands on its new public relations venture "Free Enterprise Week". Changing its name to Aims of Freedom and Enterprise, it has at the same time considerably widened its sphere of activities. Not just industrialists but 'ordinary' people are being appealed to to support 'freedom'; from becoming a mouthpiece of industrialists, Aims now seems to be taking on the trappings of a sort of political party. Free Enterprise Day, 1 July, was 'celebrated' by three to four page articles in the *Daily Mail* and *Daily Express* extolling the virtues of free enterprise and our 'free' society. In both cases it was difficult to distinguish advertising from editorial matter. The *Daily Express* in its supplement – which was apparently editorial – stated that "It's great to be small" (1.7.75), and praised Ernest the newsagent who worked a 90 hour week but who had "never been happier". Neither have those far from small financial backers of Aims, Imperial Group and British American Tobacco, whose products Ernest is selling during his 90 hours – at no expense to them.

Table D **Donations to Aims of Industry**

Company	*Amount (£)*	*Year to*	*Industry*
Fisons	20,000	31.12.74	Chemicals
Ranks Hovis McDougall	20,000	31. 8.74	Food
Hawker Siddeley Group	12,500	31.12.74	Aircraft
Imperial Group	12,500	31.12.74	Tobacco, food
British American Tobacco	11,000	30. 9.74	Tobacco
Furness, Withy & Co	5,200	31.12.74	Shipbuilding
Slater, Walker Securities	5,000	31.12.74	Finance
Debenhams	3,700	31. 1.75	Retail
Delta Metal Co	2,500	31.12.74	Metal manufacture
British Electric Traction Co	2,400	31. 3.74	Investment
Automotive Products	2,000	31.12.74	Engineering
Bridon	2,000	31.12.74	Engineering
British Insulated Callenders' Cables	2,000	31.12.74	Engineering
Royal Worcester	2,000	31.12.74	Pottery
Associated Engineering	1,500	30. 9.74	Engineering
Kenning Motor Group	1,500	30. 9.74	Garages
Slough Estates	1,500	31.12.74	Property
Gallaher	1,281	31.12.74	Tobacco
French Kier Holding	1,250	31.12.74	Building
Lindustries	1,250	30. 9.74	Engineering
Arthur Guinness, Son & Co	1,000	30. 9.74	Brewing
Hambros	1,000	31. 3.75	Banking
Powell Duffryn	1,000	31. 3.74	Engineering
United Dominions Trust	1,000	30. 6.74	Finance
W Canning & Co	1,000	31.12.74	Engineering
	115,081		

These 25 companies gave £115,081 to Aims in their last financial year, compared to £13,850 given by the same companies the previous year.

* see *Big Business and Politics*, Labour Research Department, 1974.

Inequality:

life at the top

In its evidence to the Royal Commission on the Distribution of Wealth and Income the TUC said "it is a prerequisite for the success of national economic policy that a fairer distribution of income and wealth be achieved". The Labour Party is committed by its 1973 programme to bring about "a fundamental shift in the balance of power and wealth in favour of working people and their families", and this was reaffirmed in the October election manifesto.

Distribution of wealth: Scotland, England and Wales

Estimates of the distribution of wealth showing the great inequality which prevails have been published in recent years for Great Britain and for England and Wales, but never for Scotland. This omission has now been rectified by Alan Harrison of Strathclyde University, whose findings are set out in Table A and which show that the inequality in the ownership of wealth appears to be even greater in Scotland than in England and Wales. Thus in 1965–67 the top 10 per cent of the adult population over 25 years of age in Scotland owned 78·1 per cent of the total personal wealth in Scotland, whereas in England the top 10 per cent owned 69·4 per cent. Moreover, in England the proportion was 79·6 per cent in 1950–52 so there has been a definite trend towards less inequality (even though the degree of inequality remains very great). But in Scotland the proportion owned by the top 10 per cent in 1950–52 was 78·3 per cent, indicating no trend towards a lessening of inequality between the top 10 per cent and the bottom 90 per cent of the population. Mr Harrison stresses the limitations of the techniques used for the estimates, which must be regarded as approximate only, and it is possible that the differences between Scotland and England arise from deficiencies in the estate duty statistics on which the estimates are based.

Table A

Distribution of personal wealth in 1965·67

Percentage of wealth owned by top

	1.0%	*5.0%*	*10.0%*
Scotland	35·2	64·1	78·1
England and Wales	31·0	55·7	69·4

Source: A Harrison, *The Distribution of Personal Wealth in Scotland*, Fraser of Allander Institute, Glasgow.

An alternative explanation is that the trend towards less inequality in England and Wales is largely due to the extension of owner-occupation of houses which has been much greater in England and Wales than in Scotland. Thus in 1971 owner-occupied houses in Scotland represented only 29 per cent of the housing stock compared to 50 per cent in Great Britain. If this explanation is correct, it brings out the great importance of the point made in the LRD evidence to the Royal Commission concerning the differing degree of significance of the various forms of wealth. The most important kind of property is the ordinary share capital of companies because ownership of ordinary shares carries with it the control of the main productive resources of the nation other than those which are in public ownership. Ownership of company shares is very much more unequal than is the ownership of most other forms of property, and Professor Atkinson in his book *Unequal Shares: Wealth in Britain* concluded that "the top 5 per cent of wealth holders appear to account for virtually the entire personally-held shares". Ownership of other forms of wealth, such as dwelling houses or deposits in building societies, is less unequally distributed and does not have the same significance as the ownership of company shares.

The most effective way of eliminating this basic inequality is to transfer the productive resources owned by companies into public ownership. That is why the programme of nationalisation in the Labour Party election manifesto – aircraft, shipbuilding, majority participation in North Sea oil, and, above all, profitable sectors of manufacturing industry through the National Enterprise Board – is an essential part of the plan to bring about a fundamental shift in the balance of power and wealth.

Taxation of capital

Taxation also has a vital part to play and it is in this field that the government has already acted. The new capital transfer tax, which began to operate from 26 March 1974, is designed to close a major loophole in the former estate duty which could be avoided by gifts made before death. Although generous concessions have been made for small and medium-sized businesses, the new tax will undoubtedly strike at large fortunes in the course of time. However, gifts between husband and wife are exempt whereas formerly an estate left by one spouse to the other was liable for the full estate duty on death, save for the first £15,000. This means that the yield from CTT will be lower in the first few years than the yield from the old estate duty. Thus the estimated yield for the current financial year 1975–76 is £315 million compared to £339 million in 1974–75 from estate duty; assuming an aver-

Table B
Company chairmen paid £50,000 or more

Company	*Chairman*	*Pay (£)*	*Year to*
Vauxhall Motors	A D Rhea	86,300*	31.12.73
"Shell" Transport & Trading	Sir Frank McFadzean	80,795	31.12.74
Rio Tinto–Zinc Corporation	Sir Val Duncan	76,000	31.12.74
Imperial Chemical Industries	Sir Jack Callard	71,725	31.12.74
British Petroleum Co	Sir Eric Drake	71,692	31.12.74
Associated Portland Cement Manufacturers	G N Mullins	69,265	31.12.74
Wedgwood	Arthur Bryan	66,817	31. 3.74
Plessey Company	Sir John Clark	66,313	30. 6.74
Rank Organisation	Sir John Davis	65,000	31.10.74
H & R Johnson–Richards Tiles	D H Johnson	64,516	31. 3.74
Guest Keen & Nettlefolds	Barrie Heath	62,000	31.12.74
Hill Samuel Group	Sir Kenneth Keith	60,000	31. 3.74
Marley	O A Aisher	60,000	31.10.74
Combined English Stores Group	Murray Gordon	59,750	31. 1.75
Consolidated Goldfields	J D McCall	57,392	30. 6.74
British Electric Traction Co	Sir John Spencer Wills	56,745	31. 3.74
Unilever	D A Orr	50,105	31.12.74
Associated Television Corp	Sir Lew Grade	50,000	31. 3.74

*** Paid in US dollars, latest available figure.**

age rise in prices of only 15 per cent in 1975–76 compared with the previous year, this would mean a decline in the real yield of about 20 per cent.

An immediate attack on the inequality of wealth must therefore depend on the effectiveness of the proposed annual wealth tax now being considered by a select committee of the House of Commons. It is due to report in the autumn in time for legislation in 1976 so that the first valuation date could be 31 March or 31 December 1977. Mr Healey's green paper proposed two possible scales, both beginning at 1 per cent for wealth above £100,000; the first rises to 2½ per cent and the second to 5 per cent on wealth of £5 million. Thus the higher rate would take £171,000 off a £5 million fortune in the first year, reducing it to £4,829,000. In its proposals for the 1974 budget the TUC suggested an immediate capital levy but this was not adopted by the Chancellor.

Distribution of income

In 1971–72, 3,298 people received an income from investments of £20,000 or more per year and the total of this investment income was £120·7 million. Thus the average size of these top investment incomes was about £36,600. Unfortunately the Inland Revenue publishes no figures of investment income for incomes below the surtax level so it is impossible to know how unequal is the distribution of unearned income. But it is likely to be even greater than the inequality in the ownership of property since the rich tend to get a higher return on their property than those who have only a small amount of savings.

Turning to earned income, in 1971–72, 3,257 people had salaries of £20,000 or more a year, amounting in total to £99·4 million. The average "salary" of these top earners was therefore about £30,000, or about £587 a week. By contrast in April 1972 nearly a quarter of all male manual workers aged 21, and 91 per cent of all women manual workers aged 18 and over, earned less than £24 a week.

Putting earned and unearned income together, there were in 1971–72 just 122 people getting £100,000 or more with a total of £23·8 million between them. Thus the average income of these very select people was £195,000 a year, or about £3,750 a week.

These figures on high incomes are almost certainly an understatement, and are more than three years out of date, though they are the latest available, and are taken from the *Inland Revenue Statistics 1974*. A more up-to-date picture of the pay of the chairmen of some of the

Table C **Average pay of top management in private industry September 1973**

	Chairman £	*Deputy chairman* £	*Board members* £	*Senior executives* £
Industrial & commercial companies				
Capital employed:				
£1,250m and over	(69,800)	(53,200)	(35,900)	18,300
£250m—£1,250m	42,000	28,800	18,400	10,900
£5m— £250m	29,500	24,100	17,000	10,500
£10m— £50m	21,600	17,100	11,300	7,100
Financial companies	32,300	23,200	18,200	14,200

Note: Figures in brackets relate to fewer than 5 posts in sample.
Source: Cmnd 5846 p 53

largest companies is given in Table B, derived from the information given in the companies' annual reports. Not all large companies give their chairman a salary in the £50,000 to £80,000 range. The majority of these top chairmen seem to make do with a little less, in the region of £40,000 to £50,000, as is shown in Table C which is based on a survey carried out by the Office of Manpower Economics for the Sixth Report of the Review Body on Top Salaries. However, current pay must be somewhat higher, for Table B relates mainly to 1974 and Table C to September 1973.

Fringe benefits

It seems that many top company executives and chairmen may not have managed to raise their pay as fast as prices in recent years, but have compensated for this by pushing up the level of fringe benefits which escape taxation. It is indeed only commonsense to do this. Someone who is paying the top rate of income tax at 83p in the pound, is left with only £170 cash out of a pay increase of £1,000 a year. But it follows that an extra fringe benefit costing the company only £170 is equivalent to a rise in his gross pay of £1,000. In this situation the pressure from top executives for extra fringe benefits rather than salary increases must become very strong.

Since the level of fringe benefits is closely associated with tax avoidance, reliable information is hard to get and the Royal Commission will have to make a really thorough investigation into the whole subject if its report on inequality of incomes is to be taken seriously.

The most widespread fringe benefits are top-hat pensions, company cars, free medical insurance, assistance with house purchase and school fees, and travelling and entertainment expenses. In its evidence to the Royal Commission the TGWU estimated that any company executive able to take advantage of the whole range of conventional fringe benefits can receive the equivalent of £4,400 a year (*Sunday Times* 6.4.75). This would be worth as much as a pay increase of nearly £26,000 a year for someone paying tax at 83p in the pound.

But this understates the value of fringe benefits to the most highly paid directors. According to the survey published in the Sixth Report of the Review Body on Top Salaries (p 55) a typical director can expect to receive fringe benefits equal to 24·2 per cent of his pay, made up as follows: company pension contribution 18·6, company car 4·0, housing and other loans 1·0, general expenses 0·6. This means that a £50,000 a year director can expect to receive additional fringe benefits of £12,100, which are the equivalent of a pay increase of £71,176, on the assumption that he pays income tax at 83p in the pound. In other words, he is being paid at the rate of £121,176 a year, or £2,330 a week.

If the top rate of pay in Table B £86,300, is recalculated in this way, it is the equivalent of £209,160, or £4,022 per week.

By far the most valuable fringe benefit is the top-hat pension and it is certain that many directors receive much more than the average figure of 18·6 per cent revealed by the survey. For example, the annual accounts of Gallaher for 1974 show directors' pay at £193,000 and pension contributions at £78,000, which is 40 per cent of their total pay. While this may be exceptionally high, company pension contributions of about 30 per cent are not at all uncommon. By contrast there are about 7 million workers who are not members of any occupational pension scheme and many millions more who will only get very small occupational pensions when they retire. It is hard to exaggerate the degree of inequality in the field of pensions.

Pensions:

life at the bottom

Retirement pensions are to go up on 17 November 1975, from £11·60 to £13·30 for a single pensioner and from £18·50 to £21·20 for a married couple. The increases will come into force seven months after the last rise in April 1975. Since the Labour government took office at the beginning of 1974 pensions and prices have moved as follows:

Table A

	Standard pension £	Pension as an index	Price index*	Real value of pension
October 1973	7·75	100	100	100
July 1974	10·00	129	113	114
April 1975	11·60	150	133	112
November 1975	13·30	172	?	?

*Compiled from the Retail Price Index with October 1973 taken as 100.

From Table A we can see what has been happening. The new Act implemented by the Labour government in July 1974 increased pensions by 29 per cent in a period when prices had risen by 13 per cent, so that this meant a substantial rise in the purchasing power of the pension in comparison with the standards operated by the Heath government. The April 1975 increase did not however quite bring the pension back to its July level in terms of purchasing power, though this was still considerably above that of October 1973. What the pension will buy when it is again increased in November will depend on what happens to prices in the next few months.

The failure of pensions to keep up with prices in the period July to April may well seem puzzling since the government is now committed by law to increasing pensions in line with the movement of earnings or of prices, whichever is most advantageous to those concerned. According to the official figures, earnings have been moving faster than prices, yet between July and April pensions failed to keep pace with prices, let alone earnings. The explanation for this paradox lies in the timing. Uprating of benefits has to be announced many months before it comes into operation since it involves the preparation and issue of millions of new individual books containing orders cashable at the post office for variable amounts.

Modern technology may be able to get us to the moon, but is apparently as yet unable to grapple with this exercise of uprating in less than six months. The results of this are that all the calculations on which the uprating is based are about eight months out of date. Thus the April 1975 increase had to be announced in November 1974 at a time when prices were increasing at a rate of only 17 per cent per year. By April when the new pensions came into force the speed at which prices were rising had greatly accelerated. Again the uprating next November was announced in May and is based on the movement of prices and earnings between August 1974 and March 1975, the period immediately before the last uprating. In this period on the basis of the DEP's monthly index, earnings rose nearly 15 per cent, prices by 13 per cent. The government has therefore taken the movement of

Table B

New national insurance benefits

	April 7 1975 £	November 17 1975 £
Retirement pension		
Insured man, woman or widow	11·60	13·30
Uninsured wife of pensioner	6·90	7·90
Old person's pension	6·90	7·90
Old person's wife	4·30	4·90
Unemployment or sickness benefit		
Insured man or single woman	9·80	11·10
Insured married woman	6·90	7·80
Wife or adult dependant	6·10	6·90
First child	3·10	3·50
Any other child	1·60*	2·00*
Widowed mother's allowance	11·60	13·30
First child	5·65	6·50
Any other child	4·15*	5·00*
Invalidity pension†	11·60	13·30
Allowance when incapacity began before age 35	2·40	2·80
before age 45	1·50	1·70
before age 60 for men and 55 for women	0·75	0·85
Maternity allowance	9·80	11·10
Guardian's allowance	5·65	6·50
Attendance allowance		
Higher rate	9·20	10·60
Lower rate	6·20	7·10

* plus family allowance of £1·50 for each child after the first.
†allowances for dependent children as under widowed mothers.

earnings as the criterion and is uprating pensions by about 14·7 per cent.

Michael Meacher, Under Secretary for Health and Social Security, said that changes in the movement of earnings and prices after March 1975 would of course be reflected in the next uprating (House of Commons 24 June). When that will occur has not been stated, but he pointed out that given a downturn in the rate of inflation the present historic basis of inflation-proofing would mean a corresponding gain in real terms for pensioners. Let us hope such a happy turn in events is not too long delayed.

The real issue however is not so much the period taken to judge the movement of prices and earnings as the relationship between pensions and earnings. The standard pension for a single pensioner is still around 21 per cent of the average male manual earnings and the married couple's pension is about 37 per cent of earnings. Uprating pensions in line with earnings merely means that this highly unsatisfactory relationship is maintained in perpetuity. It is for this reason that pensioners' organisations have for some time concentrated on demanding a different kind of relationship altogether; for example that the single pension should be equal to one third average male earnings and the married pension one half.

Only the movement of prices, not earnings, has to be taken into account when uprating the short-term benefits like sickness and unemployment benefit, and the new rates mean a rise of less than 14·7 per cent. The new benefits are listed in Tables B and C.

A report by the Government Actuary (Cmnd 6083) on the financing of the new benefits makes clear once again that the transfer to wholly earnings-related contributions means an automatic growth in contribution income in periods of rising earnings. No increase in the rate of contributions is therefore recommended at this stage. Indeed for the year just ended, 1974–5, there was a surplus of income over outgo of £647 million — a much bigger surplus than that originally estimated. And though the estimates for 1975–76 anticipate a deficit of £368 million, the Government Actuary explains that a large part of this is accounted for by the switch from weekly collection of contributions to monthly collection in arrears. This will involve a once and for all loss which will not subsequently be repeated.

Table C

Industrial injuries benefits

	April 7 1975 £	November 17 1975 £
Injury benefit	12·55	13·85
Disablement Benefit (100 percent)	19·00	21·80
Unemployability supplement	11·60	13·30
Special hardship allowance (maximum)	7·60	8·70
Constant attendance allowance (normal maximum)	7·60	8·70
Exceptionally severe disablement allowance	7·60	8·70
Industrial death benefit		
Widow's benefit now payable at	12·15	13·85

Supplementary benefit

The scale of requirements for those on supplementary benefit goes up by the same amounts as the national insurance benefit. Thus the scale for a single pensioner will rise by £1·70; that for a single householder who is not a long term case by £1·30. The new scales compared with those at present in force are set out in Table D. To these figures is added a rent allowance which, if the claimant is a householder, is usually equal to the actual rebated rent. If the claimant is living in someone else's house the rent allowance is £1.

Table D

Supplementary benefit scales

	April 1975 £	November 1975 £
Householders		
Single pensioner or others on long term	12·00	13·70
Married pensioners or others long-term	18·85	21·55
Person living alone (not long-term)	9·60	10·90
Husband and wife (not long-term)	15·65	17·75
(to which is added rent and rates)		
For someone living in someone else's household ie a non-householder		
Pensioner or other long-term	9·65	11·00
Others aged 18 or over	7·65	8·70
Aged 16–17	5·90	6·70
Children 13–15	4·95	5·60
11–12	4·05	4·60
5–10	3·30	3·75
Under 5	2·75	3·10
Non-householder rent allowance	0·95	1·00

Supplementary benefit is arrived at by adding together the claimant's resources and, if these fall short of the scale, a payment is made to make up the difference. Thus if a married couple have nothing but their retirement pension of £21·20 and are paying a rent of £4 the supplementary benefit would award them £4·35 to bring their income up to their own scale of requirements plus rent.

In the computation of a claimant's resources there are certain disregards, including certain capital disregards. At present the first £300 of capital is disregarded. In November 1974 it was announced that in future the first £1,200 would be disregarded. We published this announcement in *Labour Research* and were shortly afterwards rung up by a reader to tell us that so far as he was concerned the new level of disregards was not being operated. It now transpires that the new disregards will not come into operation until next November. In other words, it has taken 12 months to operate the decision (another example of break-neck speed in the modern world).

From 17 November also the earnings disregard will be raised from £1 to £2 for claimants who are required to register for employment and from £2 to £4 for others, apart from dependent children whose earnings will be wholly disregarded from that date.

The discretionary heating additions are to go up from 40p, 80p and £1·20 to 55p, £1·10 and £1·65 respectively. The standard additions for special diets are to rise from 50p to £1·12 to 60p and £1·35 respectively.

In 1973 over 4 million men, women and children were dependent on supplementary benefit. The figure for 1974 is not available as we go to press.

Regional policy: who benefits?

As the current recession deepens and unemployment rises it is likely that the government's regional policy will become the focus of increasing attention. In March 1972 when under the Tory government unemployment in Great Britain* had reached 918,000 the Chancellor of the day, Anthony Barber, announced, "an entirely new approach to regional policy, which will give the development areas a more clear cut preference than any previous system" (*Hansard* 21 March 1972). At present with unemployment in Great Britain running at 831,316* (June 1975), the government is still operating within the framework introduced by the Tories. But there must be many among the 667,000 unemployed in the assisted areas, or areas for expansion as they are now called, who wonder whether the policies the government is pursuing are adequate.

At present there are a whole range of policies which are used to attempt to reduce unemployment in Scotland, Wales, the North and South West of England and they are applied with differing degrees of intensity. Apart from Northern Ireland, for which the Ministry of Commerce in Belfast is responsible, those areas in the UK which receive most assistance are the Special Development Areas (SDAs), West Central Scotland, the North East, Merseyside and the Welsh valleys as well as other smaller areas in Scotland and the West coast of Cumbria. The total population living in the SDAs is 6·3 million. Next in order of priority come the Development Areas which include almost all the rest of Wales, parts of Devon and Cornwall and the whole of the rest of the country north of the North Riding (total population 7·3 million). The least favoured of the assisted areas are the Intermediate Areas (IAs) which comprise the rest of Yorkshire and Lancashire as well as parts of Cheshire, Lincolnshire, Derbyshire, Shropshire and Devon and have a total population of 10·7 million. In all some 25·9 million live in the assisted areas, including Northern Ireland.

*excluding Northern Ireland

In the IAs manufacturing industry automatically receives a grant of 20 per cent on capital expenditure on new buildings. In the DAs and SDAs new plant also qualifies at a rate of 20 per cent in the DAs and 22 per cent in the SDAs. In addition there are building programmes to provide new factories, low interest loans and assistance with retraining, all of which can be made available to companies in the assisted areas. The Regional Employment Premium which was increased to £3 per week for every man employed and £1·50 per week for every woman in July 1974, is also payable in the DAs and SDAs. On the other side of the coin it is necessary to apply to the Department of Industry for permission to develop for industrial use sites above 5,000 square feet in the South East of England, and 10,000 square feet in the rest of the non-assisted areas.

No change in 40 years

Successive governments have seen the regional problems of the UK in terms of differing levels of unemployment and it is therefore not surprising to find that active regional policy in this country dates from 1934, in the middle of a period of severe unemployment. At that time Special Areas, whose boundaries were very similar to today's SDAs, were set up and given special assistance. Since then the fundamentals of policy have changed very little. In the words of the Trade and Industry Sub-Committee of the House of Commons which investigated regional incentives and reported at the end of 1973:

"Since the problem of economic and social disparities within Britain was first diagnosed forty years ago there have been both a substantial measure of agreement about the nature of the remedy and a continuing debate about means. At its simplest 'taking work to the workers' has been the basis of all governments but beyond that there has been controversy."

Many policies have been pursued and today clear analysis of the scope of present regional policy is made difficult because remnants of previous policies cloud the picture. But since 1966, with a short break during the first 18 months of the last Tory government, the basic policy has been that of grants towards new capital expenditure and payment on wage costs in the form of the Regional Employment Premium (REP). With the exception of the doubling of REP, announced by Denis Healey in his July measures of 1974, the Labour government has made only minimal alterations to the policy introduced by the Tories in 1972, although the proposed setting up of the NEB as well as the Scottish and Welsh Development Agencies may in time lead to more direct government investment in the regions. The fact that there has been a good deal of agreement on regional policy may go some way to explain why there has been a relatively rapid expansion of expenditure on it as the following table indicates:

Regional aid expenditure Great Britain
(£m historic prices)

1964–65	27·5
1965–66	29·5
1966–67	45·0
1967–68	154·0
1968–69	273·0
1969–70	303·0
1970–71	311·0
1971–72	275·0
1972–73	256·0
1973–74	348·0

(Source: House of Commons Written Answer 25 June 1975)

The fall in 1971–72 and 1972–73 probably results from the temporary switch from grants to tax allowances. In addition much of Northern Ireland's expenditure on trade, industry and employment should be added to give a total UK figure. According to the Public Expenditure White Paper (Cmnd 5879) this was £102·7 million in 1973–74 (1974 prices). Assuming that 80 per cent of Northern Ireland expenditure under this heading can be properly classified as regional expenditure and taking account of the small amount of investment grants – now being phased out – which give preferential treatment to the regions, regional expenditure is forecast to rise from £560 million in 1974–75 to £670 million in 1975–76 and £690 million in 1978–79. These figures are all at 1974 prices. By comparison the cost of the Concorde project in 1973–74 was £75 million. These figures also fail to take account of aid paid to particular industries operating primarily in areas of high unemployment. The best example is shipbuilding which received £120 million in 1973–74 (figures from White Paper: Public Expenditure 1978–79).

"Regional policy has failed"

Despite this substantial expenditure there is no indication that regional policy is being successful in tackling the problem it was introduced to solve. As the Trade and Industry Subcommittee concluded:

"There is no clear evidence of a major improvement over the years in the position of the regions of highest unemployment relative to Britain as a whole."

The following table shows the relationship between unemployment in Great Britain as a whole and selected regions in the UK.

Unemployment – males and females 1930–75
(Great Britain = 100)

	Great Britain	Northern England	Scotland	Wales	Northern Ireland
1930	100	na	116	162	117
1960	100	181	225	168	406
1965	100	185	214	186	428
1970	100	185	165	154	265
1974	100	181	158	146	231
1975 (May)	100	150	125	139	200

(Source: evidence submitted by Department of Employment to Trade and Industry Sub-Committee and *DE Gazette*).

The figures need to be treated with some caution as the gap between the national average and the regional figures may be narrower when overall unemployment is high, such as in 1930 and 1975. They indicate however that with the possible exception of Scotland, where North Sea oil may be more important than regional policy, any lessening of regional disparities has been slight. As the TUC stated in their evidence to the Sub-Committee:

"If reduction of unemployment is considered to be a measure of the success of regional policy then even the active regional policy operated since 1963 has failed."

It would however be wrong to assume that years of regional policy had had no effect, that no industries had moved to the assisted areas because of the incentives offered or the control of industrial development elsewhere. The fact that the big four motor manufacturers all set up large factories in the development areas in the 1960s, had a great deal to do with the operation of regional policy at that time. In particular the control of industrial development in the non-assisted areas can be shown to have resulted in new projects going to areas of high unemployment (all four motor manufacturers went to development areas because they were not allowed to expand in the area of their choice). This policy can however only be effective when firms want to expand anyway. Moore and Rhodes, two Cambridge economists who are recognised as experts in the regional policy field, gave evidence to the Sub-Committee in which they estimated that regional policy resulted in between 200,000–250,000 new jobs being created in the period 1963–1970. They based their estimates on a comparison of employment trends before the effect of regional policy with the final outcome. But, as the Sub-Committee

reported: "it is easier to demonstrate that relative improvements took place in the regions in the 60s than it is to prove that this was primarily caused by government regional measures." Many industrial companies dismissed regional incentives as unimportant in their evidence to the Sub-Committee:

Unilever: "In the case of manufacturing employment it is difficult to demonstrate that the regional subsidies for investment or employment have had more than a small effect on location."

GKN: "From its own experience GKN is not able to present any significant case to illustrate that regional incentives have been a decisive factor in investment decisions."

Cadbury Schweppes: "Goverment incentives can and should only influence the (location) decision at the margin."

Although there were other firms which disagreed, the Trade and Industry Sub-Committee concluded that "the evidence presented by industrial firms suggested that in their view the very large amounts spent on regional incentives in recent years had not in itself been outstandingly effective."

Investment incentives

In the light of this analysis it might seem surprising that the present government intends to increase spending on regional incentives. In part this is a result of the pressure which the regions themselves generate. Money is certainly needed to regenerate industry and employment in the regions. But in part it is also an attempt to provide for private capital what private capital is unwilling or unable to provide for itself – money to finance new investment. Eric Heffer made this clear when, as Minister of State for Industry, he told the House of Commons that:

"One of the government's first priorities is to achieve a high rate of new investment . . . . equally we must make a sustained effort to eliminate the disparities in employment and development . . . between . . . . the assisted areas and other parts of the country. Our broad intention is to continue and develop the financial and other incentives . . . in the assisted areas." (*Hansard* 29.4.74)

Money provided under the auspices of regional policy is an important part of total private investment in manufacturing industry. This is not surprising, given that at present 46·3 per cent of the population live in areas which qualify for regional assistance. Although the Regional Development Grant Scheme has only just got off the ground, in 1973–74 it already accounted for 3·7 per cent of UK expenditure on plant and industrial buildings in the mining manufacturing and construction sectors of the economy. According to the expenditure White Paper the level of Regional Development Grant assistance will be almost three times this figure by 1977–78. Nor was this the only capital assistance available. A further £66 million was paid under old schemes and £52 million was offered under new schemes. All this comes on top of other ongoings aids, in particular the Regional Employment Premium.

Where the money goes

These sums have in some cases had the desired effect. Some private companies have as a result extended their investment programmes. ICI stated that regional assistance enabled it "to carry out a larger capital investment programme than it would otherwise have been willing to finance" (evidence to Trade and Industry Sub-Committee). Courtaulds reported to the Sub-Committee that "if there had not been grants . . . we might have found it difficult to finance an investment programme of that magnitude." But there is evidence to suggest that regional incentives have failed in their second aim to increase overall investment. This is quite clear if the employment which new investment might be hoped to create is looked at. The eight companies,* which gave the Sub-Committee information on the annual rates of REP they received, employed 670,000 in the UK in 1970 but only 656,000 in 1974. This is despite the fact that following the doubling of REP the companies must together receive around £14 million per annum in this form of assistance alone. The evidence suggests that many companies must find, as does Unilever, which at present must receive around £3 million a year in regional assistance, that "what they (regional incentives) did was to increase the profitability of investment" (Report of the Trade and Industry Sub-Committee). The dividend paid by the British section of Unilever for 1974 was £19·8 million. Dunlop also found regional incentives of use in a way which was not of great value to the regions they were intended to assist: "they also make a marginal contribution to increasing funds available to the enterprise for additional investment elsewhere" (Dunlop's evidence to Trade and Industry Sub-Committee). Dunlop Holdings reduced its UK workforce by 3,500 to 52,000 in the years 1970–74 but increased its employees overseas by 1,500 to 53,000 over the same period.

In its report on the effects of regional assistance the Trade and Industry Sub-Committee concluded that: "Much has been spent and much may well have been wasted." However, the need of the assisted areas for new investment and new jobs remains as great as ever. The negative control provided by Industrial Development Certificates has not been enough. More positive control over the uses regional aid is put to seems to be needed as well as increased public influence over industrial planning decisions to ensure that investment is undertaken in the first place. Without such measures much of the money spent will continue to be in the future what it has been in the past – aid to private industry rather than aid to the regions.

*Chrysler, Ford, Unilever, GKN, Courtaulds, British Leyland, Vauxhall and Dunlop.

Supply of equipment for North Sea oil

Some of the hopes expressed about North Sea oil seem like an old Western, in which the defenders of the besieged ranch comfort themselves with the thought that in the last reel the US cavalry will come over the hill and save the situation. Just hang on a few more years and then the economy will be saved by this, almost miraculous, flood of wealth.

Of course there is no doubt that the oil will bring substantial benefits to the balance of payments and will help to relieve the crippling constraints of balance of payments deficits. And there will be substantial revenues to boost the GNP. However it is necessary to put these benefits into the correct perspective and still more necessary to be very careful in judging whether British industry is responding in the way best suited to obtain maximum long-term advantages.

First it is necessary to emphasise the scale of the operation. The exploitation of North Sea oil is the biggest single mineral extraction project there has ever been and it is the biggest investment programme ever undertaken in Britain. The sums of money involved may amount to £15,000 million by 1980 and already over £1,000 million is being spent annually before the oil has begun to arrive in any substantial quantity. This is equivalent to a new Concorde project every year!

A large part of this money is being borrowed overseas, an inevitable fact, given that the required annual investment level amounts to 45 per cent of investment in *all* manufacturing industry. Whatever money is borrowed must, in time, be paid back and this, by itself, mortgages the equivalent of two years' British oil consumption. This is a bitter, but an unavoidable, pill. What is disturbing is the extent to which British industry has failed to meet the challenges, and the markets, offered by this huge investment.

The off-shore oil industry requires a huge volume of goods starting with the drilling rigs needed to search for the oil and finishing with the pipelines and production platforms which extract it. The industry has been, and largely still is, dominated by American firms such as Brown and Root, which have a close relationship with the huge US oil companies and which have gained off-shore drilling experience in their 'home' territory of the Gulf of Mexico and Lake Maracaibo.

Their technical expertise is formidable and this counts for a great deal in circumstances where tens of millions of pounds may be committed to a 'one-off' engineering job. To challenge them requires a combination of technical expertise, managerial confidence and financial backing which is daunting. Yet what has emerged over the past few years is that it is the British companies, which despite having the advantage of a British-based search, have failed to break the dominance of the American firms.

A few examples demonstrate the situation. The major expansion in exploration has been the use of semi-submersible drill rigs. The Norwegian Aber shipyards have built, or have on order, 55 such rigs, some of them being built on licence in Japan and Singapore. The Singapore yards received orders worth £38 million last year and have comparable orders for the next five years. British yards have built three semi-submersible rigs – the last in 1966. The lack of British work is attributed to failure to invest, particularly in proper cranes; a point that was emphasised in a government sponsored report as long ago as 1972.

In pipe-laying, no British organisation has emerged which can even tender for work. The only challenge to American business has come from the Italian firm, SAIPEM and the French, ETPM. A fact which should be emphasised is that SAIPEM is a state firm which received its initial boost from work contracted by a state oil firm. Similarly, although ETPM is a private firm, the bulk of its work has come from the French nationalised oil firms: first in off-shore drilling and now in laying the pipeline from the Frigg gas field.

No British shipyard has yet built a pipe-laying barge, a field which has been sucessfully entered into by the Dutch who recently finished the £30 million boat which will lay the Cormorant field pipeline. And the British Steel Corporation still cannot supply pipe for undersea pipelines despite a long history of statements that new investment would 'shortly' be made. The North Sea market for pipeline steel is probably worth £30–£40 million pounds annually and is going exclusively to Japanese and German mills.

The British contribution to the North Sea investment programme has largely been confined to two areas – the supply of standard items such as valves and compressors, and the provision of service facilities. In total this amounted to about 32 per cent of expenditure in 1974 resulting in the creation of up to 40,000 new jobs. And despite regular claims that British industry is just waking up to opportunities, this figure is not likely to increase. The British economy is thus suffering a double burden. A long term debt is being incurred and only limited short term industrial benefit is being obtained from the borrowed money.

In the future off-shore oil is likely to dominate oil explorations as it has been estimated that as much as 70 per cent of undiscovered oil lies under the sea. The money which will be spent on exploiting these reserves will dwarf even North Sea expenditures. Yet if the present situation continues, British industry will play little part in this huge business for there is little or no British capability for providing complete operations. Even in the construction of oil production platforms it is a disturbing fact that in every single case, either of steel or concrete platforms, there has been a foreign firm involved in the design and project engineering aspects. This fact has sometimes been concealed by carefully chosen names but it must raise doubts as to the future involvement of British industry.

The conclusions to be drawn from this situation are quite clear. First, it provides yet another illustration of the inability of British industry as it is at present structured to make adequate investment programmes even when handed opportunities on a plate. In this context, the nationalisation of the shipyards can be seen as an essential step towards providing a secure base for British industrial expansion. Once again the present private owners have simply failed and shipyard workers are paying with their jobs. Second, the success of Italian and French industry in providing a challenge to American business has stemmed from the active cooperation of state owned oil companies like ENI and ELF. In contrast BP, which is now virtually 75 per cent owned by the British state, has been allowed to pursue a totally independent policy and has offered very little assistance to British industry. Whether the present government proposals to set up a 'mini-BP' in the shape of a British National Oil Corporation are enough to ensure an independent British oil supply business is in doubt. If the full benefits of North Sea oil are to be obtained then much more decisive action will have to be taken.

Social contrast

A restaurant owner paid £510 for one bottle of a German Moselle wine. The cost works out at around £84 a glass. It was bought on behalf of a German industrialist customer who, "is the sort of person who will spend over £300 on wine and a meal with friends". (*Daily Mail* 4.6.75)

Tory Bexley council is trying to save money. The council first decided to charge OAP's 50 pence for their free GLC bus passes – despite opposition from Tory councillor Colin Tandy who wanted the charge to be £7. Since then they have decided to give pensioners only one meal a week at local luncheon clubs instead of one a day. This will save the average Bexley ratepayer a penny rate. Councillor Tandy reckons that pensioners would benefit from only one meal a week, "because they will only get one meal a week they will enjoy it more." (*Guardian* 18.3.75)

Princess Margaret got a surprise present at the Ideal Home Exhibition – a joint of meat. Butcher Peter Nunn offered the gift of a dressed saddle of lamb decorated with kidneys (which would cost about £8 at Harrods) when the Princess remarked how lovely the joint looked. (*Daily Mail* 5.3.75)

The Duke of Kent is putting £60,000 of family silver up for sale at Sotheby's. The Duke's secretary explained, "He is in the same situation as every one else. The Duke needs to raise some money. After all he does have a house in London and a country house to maintain." The Duke's second country home, Coppins in Bucks, was sold for £400,000. The Duke gets £30,000 a year Civil List allowance. (*Daily Mail* 12.6.75)

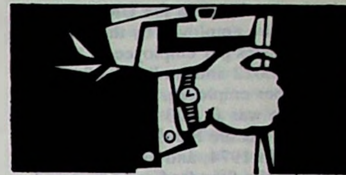
Where can the tired business man take refuge in these times of economic crisis? Why, in the security of his home – costing not less than six figures of course. Trust Houses Forte chief, Sir Charles Forte recently sold his Belgravia mansion to a Saudi Arabian prince for £525,000 and bought a more modest residence, Lowndes House, for a mere £200,000. A nice saving of £300,000. (*Daily Express* 9.5.75)

Multi-millionaire head of Trafalgar House Investments, Nigel Broackes, has just sold his Berkshire home, Wargrave Manor, for £600,000. It stands in 78 acres, and has eleven bedrooms and six bathrooms. (*Daily Mail* 4.6.75)

Some more houses on the market are: North Dean House in the Chilterns for £150,000 with 19 acres, including three cottages; Priest's House, Surrey for £175,000; and a penthouse overlooking Regent's Park – including Japanese roof garden – for £215,000. (*Daily Telegraph* 7.5.75)

Is your firm here?

Below we provide a brief summary of the profits of five firms. Affiliated members can receive details of the accounts etc of any limited company on request (see elsewhere for details of affiliation).



Weir Group

Year to end Dec	1972 £m	1973 £m	1974 £m
Sales	**65·9**	**78·1**	**89·1**
Trading profit	**6·0**	**7·7**	**8·2**
Pre-tax profit	**2·5**	**2·9**	**3·0**

The Weir Group has four divisions, engineering, foundries and engineering supplies, aircraft equipment, and desalination and heat exchange. Companies in the group include Weir Pumps, Harland Simon, E Jopling & Sons, Alston Foundry Co, C F Taylor, Weir Westgarth and Worthington-Simpson. The company is based in Glasgow and has overseas interests in Australia, Holland, Canada, Italy, Spain and South Africa. The Weir family are major shareholders in the company.

UK employees numbered 11,250 in 1974 – compared to 13,026 in 1972. Sales per employee were £7,925 in 1974 and trading profit was £740 per employee. Average pay per employee was £2,380 in 1974. The 14 directors shared payment of £216,000, including £20,508 to chairman, the hon William West – also a director of British Steel Corporation, Great Northern Investment Trust and a member of the court of the Bank of England.

There are two other Weirs on the board, including Viscount Weir, also a director of Dunlop Holdings, the International Nickel Co of Canada and Scottish Television. Other directors include William Coats, director of Coats Patons, Clydesdale Bank and Caledonian Trust Co; Lord Polworth, director of the Bank of Scotland and ICI, ex Minister of State at the Scottish Office; and J A Lumsden, chairman of the Burmah Oil Co and director of the Bank of Scotland, Caledonian Trust Co, Clydesdale Investment Co, William Baird & Co and 18 other companies.

In 1974 the company gave £2,850 away in political donations, including £2,500 to British United Industrialists, £250 to the Economic League and £100 to Aims of Industry.

Reyrolle Parsons

Year to end Dec	1972 £m	1973 £m	1974 £m
Sales	**76·1**	**112·7**	**104·4**
Trading profit	**3·5**	**9·8**	**11·0**
Pre-tax profit loss	**1·9**	**2·9**	**4·1**

Reyrolle Parsons is based in Newcastle-upon-Tyne and manufactures electricity generating and transmission equipment, employing 20,036 people throughout the world. Subsidiary companies include C A Parsons & Co, Bruce Peebles Industries, Arclex, Parolle, The Bushing Co as well as companies in Australia, Canada, Eire, Holland, New Zealand, Rhodesia, South Africa and Zambia. The number of UK employees fell from 21,089 in 1972 to 18,637 in 1974. Sales rose by 37 per cent between 1972 and 1974, and trading profit increased by 314 per cent. Average pay per UK employee increased by 33 per cent from £1,662 in 1972 to £2,210 in 1974. The ten directors shared £123,000 between them in 1974, the highest paid director receiving £17,000.

Directors of the company include president Sir Harold Mullens, also director of Lloyds Bank; chairman James Woodeson also director of Barclays Bank and Clarke Chapman; and Laurence Tindale, deputy chairman of Finance for Industry and on the board of Commodore Shipping Co, Consumer Association and the Investment Trust of Guernsey.

Bridon

Year to end Dec	1972 £m	1973 £m	1974 £m
Sales	**97·5**	**132·3**	**183·9**
Trading profit	**6·5**	**10·2**	**16·8**
Pre-tax profit	**5·1**	**8·9**	**16·8**

Bridon – formerly British Ropes – manufactures wire, wire rope and cordage, plastics products and various engineering products. The company employs over 11,000 people throughout the world, including 8,052 in the UK. The company is based in Doncaster with factories in Newcastle-upon-Tyne, Sheffield, Bristol, etc. In 1974, sales per employee (worldwide) were £15,951 and trading profit was £1,462 per employee. Average pay per UK employee was £2,033 in 1974. Chairman, Harry Smith, did rather better than average – he got £27,576 in 1974. In fact the 16 directors shared a total of £311,000 between them last year. Harry Smith also makes ends meet by sitting on the board of the Rank Organisation. Other directors include Lord (Anthony) Barber, chairman of the Standard and Chartered Banking Group, ex-Tory MP for Doncaster and former Chancellor of the Exchequer in the Heath government; John C Duckworth, director of International Computers (Holdings), Spear and Jackson and Ultra Electronics Holdings; Herbert Morley, managing director of planning for British Steel Corporation; and Lionel Pugh, also a member of BSC.

Sales have risen by 88·6 per cent and trading profits by 257 per cent since 1972. The amount given by the company in political donations has also increased, from £9,600 in 1973 to £19,246 in 1974. Recipients included South Yorkshire Industrial Council (£13,000), Tory Party (£2,715), Aims of Industry (£2,500) and Economic League (£1,031).

Glynwed

Year to end Dec	1972 £m	1973 £m	1974 £m
Sales	**126·2**	**171·6**	**208·3**
Trading profit	**16·3**	**20·3**	**23·5**
Pre-tax profit	**11·0**	**14·0**	**15·7**

Glynwed's activities include building and consumer products (tubes, steel fittings, Flavel, Aga and Rayburn cookers, baths and radiators); steel and engineering (including bolts, drainpipes and castings); steel stockholding and fastenings distribution; and wholesale chemists. Miscellaneous activities include shopfitting, air conditioning and

plastics products. In the UK 16,000 workers are employed by the company: average sales per employee in 1974 were £13,022 and trading profit was £1,471 per employee. Average pay per employee was £1,923 in 1974. The chairman, Leslie Fletcher, was paid £23,545 in 1974, and he also sat on the board of the Standard and Chartered Banking Group. Other directors include the president, William Russell, deputy chairman of Hoskins and Horton and director of the Legal and General Assurance Society; and J D Eccles, managing director of Head Wrightson & Co, a director of Finance for Industry and also heir to ex-Tory MP Viscount Eccles. Between 1972 and 1974, sales rose by 65 per cent and trading profit by 42 per cent. A donation of £8,580 was made to the Conservatives in 1974.

Laird Group

Year to end Dec	1972 £m	1973 £m	1974 £m
Sales	**64·4**	**70·0**	**91·1**
Trading profit	**7·8**	**8·6**	**12·1**
Pre-tax profit	**5·3**	**6·3**	**9·3**

The shiprepairing and aviation subsidiaries of Laird's are due to be nationalised. According to the company, these activities contributed less than 25 per cent of the group's operating profit in 1974. Apart from Cammell Laird, Western Shiprepairers and Scottish Aviation, subsidiaries include Metropolitan Cammell, British Federal Welder and Machine Co, Enersorb, Patent Shaft Steelworks, and Scottish Express.

Employees numbered over 10,000 in the UK in 1974. Sales per employee were £8,859 and trading profit £1,182 in 1974. Average pay per employee was £2,333 in 1974. Chairman, Sir Maurice Banks was paid £5,000 in 1974 and top paid director (probably managing director John Gardiner) received £26,000. John Gardiner is a director of 46 companies including the British Airways Board. Other directors include Sir Joseph Lockwood, chairman of EMI and director of Beecham Group, Smiths Industries, Hawker Siddeley Group etc; Sir Thomas Padmore ex top civil servant, formerly permanent secretary to the Minister of Transport; and Sir Ian Morrow former deputy chairman of Rolls-Royce (1971) and director of Hambros, Siebe Gorman Holdings and 15 other companies.

Diaries

Home

June

1 Five Labour ministers – T Benn, B Castle, P Shore, J Silkin, J Hart – issue statement that withdrawal from the EEC would not harm Britain.

2 NUR gives three weeks notice of strike action if claims for 30 per cent pay increase not met.

4 Decision by consultants to sterilise 11-year-old girl challenged by her teachers and social workers.

5 London to Glasgow night sleeper derails at Nuneaton killing five and injuring 40.

6 Referendum on EEC results in two to one vote in favour – 67·2 per cent of total poll.

9 First live radio broadcasts from House of Commons begin.
Bank for International Settlements warns that Britain will have to stop living beyond its means and that the labour force will have to bear some of the burden of the change.

10 In a cabinet reshuffle T Benn becomes Energy Secretary; E Varley, Industry Secretary; R Prentice, Minister for Overseas Development; F Mulley, Education Secretary. J Hart resigns from the Cabinet.
Committee on Industry Bill halted by walkout of nearly all its members in protest at announcement that the government was considering a new White Paper on the Bill.
Eygptian foreign minister Fahmi arrives in London to negotiate a £450m deal for the supply of British arms.

11 BMA and NU Students come out in opposition to the Abortion (Amendment) Bill.

12 Five miners killed in pit explosion at Houghton Colliery, Yorkshire.

13 Best trade figures since September 1971 announced – a surplus of £104m.
Belfast – four-year-old girl killed by car booby trap bomb.

15 Social Democratic Alliance of 'moderate' Labour party members formed – welcomed by R Jenkins and R Prentice.

16 Nine killed and 25 injured in coach crash in Dumfriesshire.

17 Royal Ascot opens as stableworkers picket race course.

19 Number unemployed in UK soars to 869,822 – 3·7 per cent.

20 Rail strike called off as NUR accepts pay offer of 29·8 per cent.
Judge C Humphreys frees man who raped two women.

21 Over 20,000 march through London in protest at the Abortion (Amendment) Bill.
D Healey sets six-week deadline for new social contract on wages with the unions.

22 Police commander L Hannam transferred to desk job after making political speech to a group of businessmen.

23 Seven Newcastle policemen found guilty of stealing £7,000 worth of goods.

25 Yorkshire miners warn of withdrawal of sponsorship from six Labour MPs if they fail to carry out NUM policy.

26 Tories win West Woolwich by-election from Labour:
(October 1974 results in brackets)
P Bottomley (C) 17,280, (16,073),
J Stanger (Lab) 14,898 (19,614),
S Hobday (Lib) 1,884 (5,962),
R Robinson (NF) 856 (-), R Mallone (Fellowship Party) 218 (-),
F Hansford-Miller (Eng Nat) 140 (-),
R Simmerson (C against Com Market) 104 (-), P Bishop (Ind) 41 (-).

27 Yorkshire miners' declaration on sponsored MPs referred to parliamentary Committee on Privileges.

International

May

1 Spain – One person killed six injured and 60 arrested in May Day demonstrations.

2 Angola – 250 killed in four days shooting between rival liberation groups.

6 Laos – Pathet Lao liberation forces take strategic region forcing government to make political concessions.
Commonwealth Summit Conference ends in Kingston, Jamaica with agreement to intensify activity to achieve black majority rule in Rhodesia.

12 Cambodia navy seizes US ship *Mayaguez*.

14 US marines retake the *Mayaguez* and its crew of 39, with loss of 15 killed, three missing and 50 wounded.
Spain – four killed at Guernica in gun battle as tension grows between police and Basque nationalists.

15 Lebanon – Prime Minister resigns after five days of rioting lead to 140 deaths. Second cabinet resigns 26 May after three days in office as fighting continues.

21 West Germany – trial of leaders of the Baader–Meinhoff anarchist group opens in Stuttgart.

28 Brussels – President Ford arriving for NATO summit reaffirms US policy towards western Europe.

31 Madrid – President Ford expresses US wish to see Spain in NATO.

June

1 Rhodesia – 13 Africans killed and 28 wounded when police open fire on crowd of 2,000.

4 US – President Ford urges Congress to support increases in defence budget.
Spain – 100,000 Madrid workers strike against fascism; 300–400 strikers are arrested.

5 Egypt – Suez Canal reopens after eight years.
US – New York city accepts state aid to prevent it going bankrupt.

8 Belgium and three other NATO countries decide to order American F16 combat aircraft rather than French Mirage. The deal is worth about £870m.

9 Australia – J Stonehouse arrested whilst trying to board a plane to London to address Commons debate on his expulsion.
Uganda – British lecturer Dennis Hills accused of treason for criticising President Amin in unpublished book.

10 Uganda – President Amin gives six-point ultimatum to British government or see D Hills go before firing squad.
US – Rockefeller Commission report on the CIA published with sections on political assassination cut out.

12 India – Prime Minister Gandhi found guilty of corrupt election practices and disqualified from elective office for six years. She says she will appeal and not resign.
Uganda – President Amin refuses to reply to telegram from H Wilson because it is not signed by the Queen.
Greece applies for EEC membership.

13 Spain – 12 outlawed parties agree on common platform of opposition to the Franco regime.

15 Rhodesia – 20 Africans reported killed in north-east Rhodesia.

16 J Callaghan offers to meet President Amin, but not before mercy is shown to condemned Britons.
South Africa – Simonstown naval agreement with Britain officially ended after 20 years.

17 Italy – Communists make big gains in local elections getting 33·5 per cent of the vote; Christian Democrats get 35·2 per cent.

18 Portugal – print workers occupy offices of newspaper *Republica*.
Uganda – Briton Stanley Smolen is charged with hoarding and could face execution. Queen sends Lt-Gen Sir Charles Blair to Uganda with a message to President Amin to save the life of Dennis Hills.

22 Uganda – President Amin stays execution of D Hills after receiving message from the Queen by two officers.

23 Uganda – President Amin issues threat to execute D Hills unless J Callaghan flies to Kampala.

24 US – Boeing 727 crashes near Kennedy Airport killing 111.
Uganda – President Amin blames "hot tempered" General Blair for failure of talks. Mozambique becomes independent after 500 years of colonial rule.

26 India – Mrs Gandhi arrests 676 political opponents after a national state of emergency is declared.

27 India – 200 more people arrested as press censorship is imposed.
South Africa – 19 miners die in two gold mine disasters.

29 Rhodesia – Foreign minister D Ennals holds talks with I Smith.
Lebanon – 40 people killed in street fighting in Beirut between left Muslims and right Christian phalangists.

30 Lebanon — general strike as official death toll rises to 600 in fighting this year.
Zambia – President Kaunda announces nationalisation of private land, cinemas and main newspaper.

Industrial notes

Government wages policy
On 1 July the Chancellor of the Exchequer, Mr Healey, announced in the House of Commons the government's intention of bringing the level of wage and salary increases within a limit of 10 per cent per annum. A similar limit would be set for dividends. Outlining some of the "weapons" the government planned to use, Mr Healey said:

" . . . we propose to fix cash limits for wage bills in the public sector so that all concerned may understand that the government is not prepared to foot the bill for excessive settlements through subsidies or borrowing or by loading excess costs on the public through increases in prices and charges."

"We will take action through the Price Code to encourage compliance by private employers."

Mr Healey stressed the government's preference for a voluntary policy agreed by the TUC and the CBI. Failing this, though, the Chancellor warned that the government would bring in legislation that would force employers in the public and private sectors to comply with the 10 per cent limit. Following the Chancellor's statement the *Financial Times* share index rose by a record 23·7 points to close at 315·5.

Aircraft and shipbuilding nationalisation
In the House of Commons on 1 July the Industry Secretary, Mr Varley stated that the government would not now be introducing a Bill to nationalise the aircraft and shipbuilding industries in the current session of Parliament. Instead a Bill would be introduced in the session commencing in October (see *Labour Research*, July 1975 for details of the Bill).

National Union of Bank Employees
The National Union of Bank Employees on 20 June made a formal application to rejoin the TUC. NUBE was expelled for registering under the 1971 Industrial Relations Act. The union's conference voted in favour of reaffiliation in April this year.

INCREASES

ICI manual workers
After ICI's 4 June pay offer had been rejected by its 57,000 manual employees, the company made a revised offer on 27 June. This included a cost of living indexation arrangement that ICI had previously refused. Unions involved in the negotiations recommended acceptance of the new offer, which would take effect from 9 June this year. In the two craft grades the proposed weekly rates are £59·30 and £63·59, increases of £12·50 and £13·75 a week respectively. Increases in other grades are £10 a week, giving a £48·50 basic in grade 4 and £50·71 in grade 5. The agreed cost of living arrangement gives 1 per cent for every 1 per cent rise in the retail price index after a threshold of 18 per cent above the June RPI figure has been reached. A maximum of six payments can be made under this scheme.

Police
A meeting of the Police Council on 4 June agreed pay increases for policemen and women to take effect from 1 September. Some of the new provincial rates that will now apply are: constables on appointment £2,400 (49·6 per cent increase); constables top rate £3,402 (33 per cent increase); sergeants £3,960 (33 per cent increase); chief inspectors £5,286 (41·5 per cent increase). Superintendents on appointment get a 38·9 per cent increase on their present £4,249. All increases (excluding superintendents and above) are inclusive of £229 threshold. Rates in the metropolitan force are £275 higher.

Garage workers
350,000 garage workers are to get a two-stage pay increase following agreement on the NJC for the Motor Vehicle Retail and Repair Industry. The increases do not include £4·40 thresholds which were consolidated into basic rates in February. The range of basic rates, at present £26·60–£31·90, will rise to £28·40–£36·00 as from June 1975, and then to £30·00–£40·00 from January 1976. The settlement implements equal pay for women, and improves holiday entitlement from 18 to 20 days.

Government industrial workers
200,000 government industrial workers will get increases amounting to 29 per cent from 1 July this year. The settlement was agreed on 27 June, and is the first under a new system of comparing pay rates of manual workers directly employed by the goverment with those in outside industry. Under the agreement, the basic weekly rate of unskilled labourers rises from £28·70 (including £4·40 thresholds) to £32·50. The craftsmen's rate goes up from £35 (which also includes the threshold) to £43. Equal pay comes into operation from 1 July, five months ahead of the government's official deadline, and adult rates apply from age 18 (previously 19).

Railways: the new agreement in detail

	Railman £	Driver £	Top signalman £
Existing rate	25·65	41·65	48·00
Existing threshold	4·40	4·40	4·40
BR's first offer	31·10	50·50	58·20
Arbitration award	32·70	53·10	61·20
New basic rate from 28 April 1975	32·70	53·10	61·20
New basic rate from 4 August 1975	33·35	54·15	62·40
New temporary allowance	1·30	—	—

The increases from August 1975 represent 30 per cent for the above three grades, but are inclusive of the £4.40 threshold payment. The guaranteed minimum earnings level of £36·70 (suggested by the arbitration tribunal) will operate till the new temporary allowance becomes payable on 4 August. The allowance is not consolidated, but will count as part of the basic rate for sickness and holiday payments.

British Steel Corporation manual workers
New money increases of 14 per cent backdated to 1 June were agreed by the BSC and the Iron and Steel Trades Confederation on 26 June. Threshold payments of £4·40 are consolidated in the agreement, which gives a new basic rate of £35·34 a week for ordinary labourers and £38·76 for in-plant labourers. The Corporation's 75,000 manual employees will receive additional increases of 1 per cent for each 1 per cent rise in the RPI over the June figure. The new settlement runs for only seven months and expires on 1 January 1976.

Local government staffs
A delegate meeting of NALGO on 27 June voted in favour of a pay offer to local government staffs. Agreement was ratified on 2 July by the NJC for Local Authorities Administrative, Professional, Technical and Clerical Services, which covers nearly 500,000 local government white collar employees. Examples of the way the increases will affect salary scales in the clerical grades are:

	Old Scale	From 1.7.75
Clerical 1	£1,119 to £2,154	£1,215 to £2,529
Clerical 2	£2,154 to £2,355	£2,529 to £2,775
Clerical 3	£2,418 to £2,616	£2,853 to £3,096

Rates prior to the agreement include threshold payment. Among the higher grades, senior officers bottom rate is increased from £3,555 to £4,239; and at the highest point, principal officers will now get £7,407 (an increase of £1,209).

Print workers
NGA members in provincial newspapers and general printing voted in favour of a pay offer by the Newspaper Society and the British Printing Industries Federation (for details of offer see *Labour Research*, June 1975). Voting in the ballot was 31,999 for acceptance, 28,408 for rejection of the offer.

CLAIMS

BBC staff
The BBC informed the Association of Broadcasting Staff, (which represents a majority of the Corporation's staff), that for every 1 per cent increase in the wages bill over the budgeted figure for inflation 250 jobs would disappear. This came after rejection by the ABS of a BBC pay offer amounting to 19 per cent. The ABS claim was for increases in the region of 30 per cent. The ABS national executive committee rejected a second pay offer, amounting to 21 per cent, on 25 June.

Chemical industry manual workers
Unions representing 60,000 heavy chemical and plastics industry manual workers rejected the employers' pay offer on 24 June (for details of offer see *Labour Research*, July 1975).

DISPUTES

Massey-Ferguson
A mass meeting of Massey-Ferguson tractor workers on 13 June voted to end their six week strike at the company's Coventry plant. The strike, which began on 2 May, was in furtherance of a pay claim. Picketing and an occupation of the plant brought production to a standstill during the strike, Industrial action was called off following a revised pay offer by the company on 11 June.

Sharman Brothers
Following incidents on the picket line at Sharman Brothers of Peterborough, the National Graphical Association lodged official complaints about police conduct during the dispute, alleging partiality towards the employers. NGA members had been in dispute with the firm, which publishes newspapers in the Cambridgeshire and Huntingdonshire areas, since early May when the employers attempted to introduce new equipment – Optical Character Recognition machinery – without agreement. Official strike action commenced on 15 May, and was supported by blacking of the firm by trade unionists in local haulage firms and at Sharman's suppliers.

Under review

Strategy for Socialism by Stuart Holland. (Spokesman Books) 95 pp. 95p.

This is a very lucid, compact summary of the thinking which lay behind the Labour Party's 1973 programme for a fundamental shift in the balance of power and wealth, to be achieved by (1) a major extension of public ownership into profitable manufacturing industry through the acquisition by a National Enterprise Board of 20 to 25 firms, or about half of the 50 key manufacturing multinationals; and (2) the imposition of planning agreements on the remaining multinationals aimed at compelling big business to function in the public interest by a combination of pressure from above by the state and from below by the workers through their trade unions. This plan is taking shape in the Industry Bill, and this booklet can serve as a means to check the extent to which the Bill falls short of the original conception. Authority is lent to this exposition by the fact that as a "note on the author" states, he "played a central role in the shaping of Labour's new strategy for socialism, working with various committees of the Party National Executive from 1971".

RS

Statistics

	1974									1975					
Retail price index *January 74 = 100*	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
% change on year ago	106·1	107·6	108·7	109·7	109·8	111·0	113·2	115·2	116·9	119·9	121·9	124·3	129·1	134·5	137·1
Basic hourly wage rates *July 72 = 100*	+15·2	+16·0	+16·5	+17·1	+16·9	+17·1	+17·1	+18·3	+19·1	+19·9	+19·9	+21·2	+21·7	+25·0	+26·1
% change on year ago	128·0	132·1	136·9	139·9	145·6	146·4	148·7	153·9	158·0	159·7	162·0	169·0	169·8	175·8	181·1
Average earnings *January 70 = 100* (a)	+14·0	+16·6	+18·3	+20·6	+21·6	+22·0	+23·6	+27·2	+29·5	+29·2	+29·9	+33·6	+32·7	+33·1	+32·3
% change on year ago	164·8	169·5	176·2	181·4	185·9	189·0	191·8	200·8	208·3	206·2	209·9	212·8	215·4	217·4	
Unemployment *000s* (b)	+11·7	+13·5	+16·0	+18·1	+20·5	+21·0	+21·3	+25·4	+29·4	*	*	+27·9	+30·7	+28·3	
% male unemployment rate in GB	680	562	543	601	692	683	643	653	na	777	791	803	940	850	870
	3·8	3·3	3·2	3·4	3·8	3·8	3·6	3·7	na	4·4	4·5	4·5	5·2	4·8	4·8

(a) This covers male and female workers, manual and non-manual, weekly and monthly paid, and includes overtime payments, etc. It is seasonally adjusted.

(b) Including N Ireland. Temporarily stopped are not included in the above figures.

* Affected by 3 day week.

Source: Department of Employment.

Unemployment

In June 1975 there were 869,822 people unemployed in the United Kingdom. This is 19,489 more than in May and 326,786 more than in June 1974. The male unemployment rate in Great Britain rose from 3·2 per cent in June 1974 to 4·8 per cent in June 1975.

The rate of unemployment varies between regions. In June, total regional unemployment figures were as follows (male percentage unemployment in brackets): North 72,900 (7·1); North West 137,800 (6·8); Wales 53,600 (6·3); Scotland 104,600 (6·0); South West 69,600 (5·6); Yorkshire and Humberside 74,300 (4·7); West Midlands 85,300 (4·6); East Anglia 22,900 (4·3); East Midlands 50,600 (4·3); South East 192,900 (3·4); Northern Ireland 37,700 (8·7). Figures are seasonally adjusted.

In June, an estimated 205,000 people were on short-time working in Great Britain. The region with the highest number on short-time was the West Midlands with 70,000.

London weighting

The Department of Employment has published the first figures for its new index of costs in London. Between April 1974 and April 1975 costs rose by 20·5 per cent in inner London and 17·8 per cent in outer London. These costs relate specifically to housing, travel, wear and tear and other costs which were originally included in the Pay Board report on London weighting. The greatest increase was in the cost of travel which rose by 31·4 per cent in inner London and 21 per cent in outer London.

In the same period, the cost of rates in Greater London rose faster than in the rest of UK (45 per cent compared to 39 per cent), as did rail and underground fares (32 per cent compared to 27 per cent). Prices which rose less in Greater London than the average for the UK were local government rents (2 per cent compared to 10 per cent), private rents (2 per cent compared to 6 per cent) and bus and public transport fares (32 per cent compared to 28 per cent). This new index on costs in London will be published annually in June, with figures relating to the preceding April.

Engineering sales

Total sales of engineering products, both home and export, have remained steady in recent months. Between March 1974 and March 1975 sales rose by 3·6 per cent. Between December and March 1975, total sales have increased by 0·5 per cent, although export sales dropped by 1 per cent. The volume of net new home orders has decreased steadily, dropping by 18·3 per cent between March 1974 and March 1975. Net new export orders have decreased by 28·8 per cent in the same period, although the rate of decrease has levelled out in recent months.

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